- I. At the Argentine Embassy reception in

  Moscow last weekend, Premier Bulganin was
  reported to have said that a Soviet preSummit statement on the German problem
  could be expected shortly.
  - Tuesday (12 Jul). It was not in form of a Government communique but instead was an "authorized" TASS release.
  - B. Use of this channel was, in itself, a tip-off that no new proposals would be included.
- II. Analysis of statement indicates that

  Moscow still hopes to avoid the issues

  of German "unification" and "free elections" at Geneva.
  - A. Defensive in tone, statement is intended refute Western charges USSR has lost interest in "unification."

HHR REVERSE FOR DECLASSIFICATION ACTION

## CONTINUENTIAL

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on "unity" question and seems to

assume that quick agreement on

this point impossible.

- B. States main "unity" obstacle is Bonn membership NATO, WEU:
  - 1. Therefore claims European "security system" is necessary first step toward German unification.
- C. We believe this is indication that
  USSR may bring forth new European
  security proposals at Summit meeting.
- III. Statement also indicates Soviet declaration at Summit that "free elections" question is subsidiary.
  - A. Probably will propose that such
    "detailed" problems be worked out
    directly between East and West Germans.